

## STROOCK

By E-Mail and Mail

February 27, 2006

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Janet S. Baer, Esq.  
Kirkland & Ellis LLP  
200 East Randolph Drive  
Chicago, IL 60601

Re: W. R. Grace & Co., et al.

Dear Jan:

This letter confirms that in connection with the agreement of the Official Committee of Unsecured Creditors (the "Creditors' Committee") to continue to be a Plan Proponent with the Debtors and the Equity Committee of the Amended Joint Plan of Reorganization filed with the Bankruptcy Court and dated January 13, 2005, as such Plan may be amended from time to time with the prior written consent of the Creditors' Committee (the "Joint Plan"), the Debtors agree to further amend the Joint Plan to modify the treatment of the Class of General Unsecured Creditors to provide that commencing January 1, 2006 the current 6.09% fixed, compounded quarterly, post-petition interest rate accruing for the Holders of the Debtors' pre-petition bank credit facilities shall change to a floating Adjusted Base Rate, compounded quarterly, and the Debtors and the Creditors' Committee agree that the Creditors' Committee has the right to withdraw as a Plan Proponent of the Joint Plan on the occurrence of any of the following circumstances:

1. Failure of the Court to approve the Disclosure Statement incorporating the Joint Plan on or before December 31, 2006;
2. Determination by the Court (Bankruptcy or District) that the Joint Plan is not confirmable together with the failure to file an amended Joint Plan within 60 days;
3. Determination by the Court (Bankruptcy or District) that W. R. Grace & Co, W. R. Grace-Conn., or the Debtors are insolvent;

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4. Termination of the Debtors' exclusive period;
5. Withdrawal of the Joint Plan by the Plan Proponents and together with the failure of the Plan Proponents to file a new Joint Plan within 60 days thereafter; and
6. Failure of the Joint Plan to become effective on or before February 28, 2007.

It is understood that the term "Adjusted Base Rate" ("ABR") shall be the greater from time to time of (1) the Prime Rate as published by JPMorgan Chase, or (2) the Federal Funds Effective Rate plus 0.5% points, compounded quarterly on the first of April, July, October and January.

It is also understood that in the event that the Creditors' Committee withdraws as a Plan Proponent, the Debtors will no longer be bound by the agreements reached as of the date hereof with the Creditors' Committee with respect to interest rates or any of the other provisions of the Joint Plan agreed to among the parties.

If this letter accurately states the parties' agreement in this regard, please sign this letter on the signature block provided below and forward the letter back to me.

Please inform us promptly if this letter does not accurately reflect the parties' agreement.

Sincerely,



Lewis Kruger

Agreed To:

By: \_\_\_\_\_  
Janet S. Baer, Esq.  
Kirkland & Ellis

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Counsel to the Debtors  
W.R. Grace & Co., et al.

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